

**AQAA**  
**DAR COUNCIL ACTIVITY REPORT**  
**16 July 1997**

**FAR/DFARS Cases Discussed:**

95-022	<b>Changes in Contract Administration and Audit Services Cognizance:</b> Revises FAR subparts 42.1, 42.2, and 42.3 to include a formal audit cognizance policy along with a policy for contract administration cognizance. Clarifies language on indirect cost rates in FAR subpart 42.7.	Agreed to draft final rule, minor edits.
97-023	<b>Exemption of FPAF Contracts from 16.402-1(b) Requirements:</b> Corrects oversight in FAR Case 93-603, which was published in FAC 90-46. 93-603 did not correct all references to award fee contracts - resulting in significant confusion in the field, where many believe the oversight was intentional and that FPAF contracts should contain target cost and target profit citations. The correction changes the reference to "cost-plus-award-fee contracts" at 16.402-1(b) to "award-fee contracts."	Agreed to draft final rule.
94-610	<b>Nondisplacement of Qualified Workers:</b> Implements EO 12933 which requires that building service contract workers have right of first refusal with successor contractor.	Agreed to most of CAAC/DOL revisions to draft interim rule.
97-D021	<b>Research and Development Definitions:</b> Conforms definitions at DFARS 235.001 with the RDT&E budget activity definitions at DoD 7000.14-R, Financial Management Regulations.	Agreed to final rule using full definitions as recommended by Army and DLA.
97-D022	<b>Buy American Act Waiver for Information Technology Products:</b> Implements waiver of the Buy American Act for Information Technology products, signed by Dr. Kaminski, USD(A&T), on May 16, 1997. Applies, in acquisitions subject to the Trade Agreements Act, to information technology products in FSC 70 or 74 that are substantially transformed in the US.	Agreed to interim rule, as edited.
97-012	<b>Small Business Competitiveness:</b> Case would have incorporated certain aspects of the Small Business Competitiveness Demonstration Program into the FAR. On 06/25/97, at a DoD strategy session, Mrs. Spector, DDP (not opposed to regulatory extension), Mr. Robert Neil, OSDSADBU (opposed to any extension of the program), and Mr. Dave Drabkin, AR, agreed not to initiate a regulatory change until we see Congressional language. A consolidated DoD position paper was prepared by Mr. Drabkin for Mr. Longuemare's use in a telephone inquiry to Dr. Kelman, OFPP. Dr. Kelman and Mr. Longuemare agreed not to proceed with regulatory language because statutory language was being drafted.	Agreed to close case.